



**DEFENSE LOGISTICS AGENCY
DEFENSE CONTRACT MANAGEMENT COMMAND
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IN REPLY
REFER TO **AQO**

SEP 20 1996

**MEMORANDUM FOR COMMANDERS, DEFENSE CONTRACT MANAGEMENT
COMMAND DISTRICTS
COMMANDERS, DEFENSE CONTRACT MANAGEMENT
COMMAND CONTRACT ADMINISTRATION OFFICES**

**SUBJECT: Prime and Subcontractor Relationships in the
Single Process Initiative (SPI)**

Earlier this year, I chartered an Integrated Program Team (IPT) to study how best to implement the SPI in cases where prime contractors are also subcontractors to other prime contractors. The IPT completed its review and presented me with a final report which I forwarded, along with my recommendations, to the Under Secretary of Defense (Acquisition and Technology), Dr. Paul Kaminski.

The attached letter is Dr. Kaminski's guidance on this issue. Please assure that this guidance is properly disseminated within your Command. If you have any questions related to this or any other aspect of the Single Process Initiative, my point of contact is Marialane Schultz, (703) 767-2471 / (DSN) 427-2471/ marialane_schultz@hq.dla.mil.

ROBERT W. DREWES
Major General, USAF
Commander

Attachment

cc: Ken Sateriale, NASA
Carl Schneider, NASA
Ken Ward, FAA



ACQUISITION AND
TECHNOLOGYTHE UNDER SECRETARY OF DEFENSE
3010 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-3010

SEP 3 1996

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARY OF DEFENSE (COMPTROLLER)
ASSISTANT SECRETARY OF DEFENSE (COMMAND,
CONTROL, COMMUNICATIONS, AND INTELLIGENCE)
GENERAL COUNSEL
INSPECTOR GENERAL
DIRECTOR OF OPERATIONAL TEST AND EVALUATION
DIRECTORS OF DEFENSE AGENCIES

SUBJECT: Prime and Subcontractor Relationships in the
Single Process Initiative (SPI)

My memorandum of December 8, 1995, provides guidance for making block changes to existing prime contracts. I would like to provide amplification of that guidance for dealing with specification and process changes for prime contractors that are also subcontractors to other contractors.

Prime contractors should be encouraged to identify, in their concept papers, candidate government contracts for change implementation on which they are subcontractors. When this occurs, the Management Council receiving the concept papers shall ensure the DoD program/project manager for every prime contract so identified is consulted as part of the technical review of the change by the component team leader. Prime contractors to which the requester is a subcontractor shall also be consulted. The review of the impact of the changes on these sub contracts and prime contracts shall occur concurrently with the normal block change review.

When the Management Council and the prime contractor to which the requester is a subcontractor agree on a change:

- If, as a consequence a government contract must be changed to modify a requirement, the Administrative Contracting Officer (ACO) may send the request for contract modification to the cognizant prime contractor ACO along with an assessment of costs or savings. The prime contractor ACO should modify the contract.



- If the government contract does not require modification because the requested subcontractor change is a prime contractor requirement only, the subcontractor should be advised to request the change from the prime contractor, without further DoD participation.

None of the actions taken by the ACO should in any way relieve a prime contractor of assuring its subcontractors meet the prime contractors' requirements.

Paul G. Kaminski

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